



Greater Taung
Local Municipality

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Private Bag X1048,
Taung Station, 8580

Physical Address:
Station Street,
Taung, 8580

ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Greater Taung Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

Index	Page
Contact Information	1
General Information	2-3
Approval	4
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Accounting Policies	9-24
Notes to the Annual Financial Statements	25-48
Appendix A: Schedule of External Loans	49
Appendix B: Analysis of Property, Plant and Equipment	50-53
Appendix C: Segmental Analysis of Property, Plant and Equipment	54
Appendix D: Segmental Statement of Financial Performance	55
Appendix E: Disclosures of Grants and subsidies in Terms of the Municipal Finance Management Act	56

Annual Financial Statements

for

Greater Taung Local Municipality

for the year ended 30 June: **2013**

Province:

North West

AFS rounding:

R (i.e. only cents)

Contact Information:

Name of Municipal Manager:	MR GG HUMA
Name of Chief Financial Officer:	MRS R DU TOIT (ACTING)
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Greater Taung Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

General information

Members of the Council

ITUMELENG DA	Member of the Executive Committee
LOBELO K	Mayor
MABE MJ	Member of the Executive Committee
MALEPE KAM	Member of the Executive Committee
MORWAGASWE KJ	Member of the Executive Committee
OLIPHANT OP	Member of the Executive Committee
SETHI DJ	Speaker
TONG LJ	Chief Whip
TSHIPO GJ	Member of the Executive Committee
GALODIKWE KP	Member of the Executive Committee
SELEKE OR	Member of the Executive Committee
MAMAPULA KL	Member
BAIJANG MT	Member
CHALMANS KG	Member
MALEPE TV	Member
DIPHOKO GS	Member
DITSHAKANE PM	Member
EDWARD GS	Member
GASETLOLWE FC	Member
HALENYANE LJ	Member
HERMANUS M	Member
KANYANE MS	Member
KGOSIMORE KR	Member
KODISANG K	MPAC Chairperson
LONTSHITSE KA	Member
MAHURA LW	Member
MAKGALEMANE EI	Member
MANTSHWE T	Member
MARCH ZB	Member
MENYATSO A	Member
MMABE JG	Member
MOAGI K	Member
MOHITLHENG BK	Member
MOKOTO R	Member
MOLIFI KP	Member
MONCHO BJ	Member
MONGALE OV	Member
MOTSHABI DN	Member
OLIFANT MI	Member
PHACWANE AS	Member
SCHOLTZ AP	Member of the Executive Committee
SEBE TP	Member
SEEPAMERE KJ	Member
SEOKAMO KB	Member
SIBINDA EV	Member
TAFANE NG	Member
TLADI EH	Member
TLHAGANYANE T	Member
TYALIMPI KR	Member
WESI LC	Member
MAHURA	Member

Greater Taung Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

General information (continued)

Registered Office: GREATER TAUNG LOCAL MUNICIPALITY

Physical address:
MUNICIPAL OFFICES
STATION STREET
TAUNG
8580

Postal address:
PRIVATE BAG X1048
TAUNG STATION
8580

Telephone number: 053 994 9400

Fax number: 053 994 3917

E-mail address: humag@taunglm.co.za

Acting Municipal Manager

HUMA, GG

Acting Chief Financial Officer

DU TOIT, R

Grading of Local Authority

GRADE 3

Auditors

Auditor-General

Bankers

ABSA

Greater Taung Local Municipality
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2013

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 22 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Corporative Governance and Traditional Affairs's determination in accordance with this Act.

Municipal Manager:

2013/08/31

Greater Taung Local Municipality			
STATEMENT OF FINANCIAL POSITION			
as at 30 June 2013			
	Note	2013	2012
ASSETS			
Current assets			
Cash and Cash Equivalents	1	70 696 475	65 743 406
Consumer Debtors	2	7 340 581	2 160 349
Inventories	3	255 894	69 040 075
Trade and Other Receivables	4	6 930 660	487 732
VAT Receivable	9	760 605	1 351 546
		85 984 216	138 783 107
Non-current assets			
Property, Plant and Equipment	5	425 149 895	460 080 084
Investment Property	6	3 241 500	3 241 500
		428 391 395	463 321 584
Total assets		514 375 611	602 104 691
LIABILITIES			
Current liabilities			
Trade and other payables	7	14 701 859	10 246 506
Consumer deposits	8	142 314	135 694
Short Term Portion: Post Employment Benefits	39	13 416	15 556
Current portion of finance lease liability	40	42 297	387 137
Current portion of unspent conditional grants and receipts	11	35 496 212	22 570 094
Non-current liabilities			
Non-current unspent conditional grants and receipts		29 035 261	29 035 261
Long Term Post: Employment Benefits	39	4 150 444	4 382 638
Long Term Portion: Finance Lease Liability	40	6 879	49 176
Total liabilities		83 588 682	37 786 802
Net assets		430 786 929	564 317 890
NET ASSETS			
Accumulated surplus / (deficit)		430 786 929	564 317 890
Reserves			
Total net assets		430 786 929	564 317 890

Greater Taung Local Municipality
STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2013

	Note	2013	2012
Revenue			
Property rates	12	5 342 376	5 159 519
Property rates - penalties imposed and collection charges	12	878 876	787 224
Service charges	13	6 055 550	6 114 770
Rendering of Services			-
Rental Income	14	241 123	341 732
Interest earned - external investments	15	4 501 960	4 264 823
Interest earned - outstanding receivables	16	1 124 406	1 034 230
Income Received from Agencies		-	-
Administration and Management Fees Received		-	-
Licences and permits		-	-
Government grants and subsidies	17	122 416 859	121 680 120
Other income, Public Contributions and Donations	18	3 125 485	75 138 731
Total revenue		143 686 636	214 521 149
Expenses			
Employee related costs	19	44 759 000	45 423 281
Remuneration of councillors	20	13 846 890	12 798 482
Administration Costs		-	-
Depreciation and amortisation expense	21	46 040 854	47 716 626
Repairs and maintenance		8 899 355	6 156 827
Provision for Doubtfull Debts		-	6 075 886
Finance costs	22	271 282	-
Bulk purchases	23	2 548 561	2 287 070
Contracted services	24	13 420 621	7 651 791
General expenses	25	27 691 250	26 902 784
Total expenses		157 477 813	155 012 747
Gain / (loss) on sale of assets		-	-
(Impairment loss) / Reversal of impairment loss		-	-
Profit / (loss) on fair value adjustment		-	-
Inventories: (Write-down) / reversal of write-down to net realisable value			-
Surplus / (deficit) for the period		(13 791 177)	59 508 402

Greater Taung Local Municipality
STATEMENT OF CHANGES IN NET ASSETS
as at 30 June 2013

	Revaluation Reserve	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
Note				
Balance at 30 June 2011		-	183 266 567	183 266 567
Correction of Error Revaluation Reserve		-		-
VAT Adjustment				-
Government Grant Reserve				-
Other Items				-
Net gains and losses not recognised in the statement of financial performance			-	-
Transfers to / from accumulated surplus/(deficit)			321 542 921	321 542 921
Surplus / (deficit) for the period			59 508 402	59 508 402
Balance at 30 June 2012	-	-	564 317 890	564 317 890
Other items				-
Other items				-
				-
Transfers to / from accumulated surplus/(deficit)				-
Surplus / (deficit) for the period				-
Balance at 30 June 2012	-	-	564 317 890	564 317 890
Other items				-
Movement during 2011 2012 on prior year Asets				-
Transfers to / from accumulated surplus/(deficit)			(119 739 784)	(119 739 784)
Surplus / (deficit) for the period			(13 791 177)	(13 791 177)
Balance at 30 June 2013	-	-	430 786 929	430 786 929

Greater Taung Local Municipality

CASH FLOW STATEMENT

as at 30 June 2013

	Note	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	28	13 732 175	40 127 062
Interest Income		4 501 960	4 264 823
Finance Costs		(271 282)	-
		-	-
Net cash flows from operating activities		17 962 853	44 391 885
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(13 016 403)	(38 731 098)
Proceeds from sale of fixed assets		-	
Proceeds from sale of investments		-	
Purchase of foreign currency securities		-	
Net cash flows from investing activities		(13 016 403)	(38 731 098)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in other liability			
Movement in consumer deposits		6 620	5 000
Finance lease payments			
Repayment of finance lease liability			
Net cash flows from financing activities		6 620	5 000
Net increase / (decrease) in net cash and cash equivalents		4 953 070	5 665 787
Net cash and cash equivalents at beginning of period		65 743 406	60 077 619
Net cash and cash equivalents at end of period	1	70 696 476	65 743 406

SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

1.

1.1 BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notices 991 and 992 of 2005.

These standards are summarised as follows:

GRAP 1: Presentation of financial statements.
GRAP 2: Cash flow statements.
GRAP 3: Accounting policies, changes in accounting estimates and errors.
GRAP 4: Effects of Changes in foreign exchange rates
GRAP 5: Borrowing Costs
GRAP 6: Consolidated and separate Financial Statements
GRAP 7: Accounting for Investments in Associates
GRAP 8: Interest in joint ventures
GRAP 9: Revenue from Exchange Transactions
GRAP 10: Financial Reporting & Hyper Inflationary Economics
GRAP 11: Construction Contracts
GRAP 12: Inventories
GRAP 13: Leases
GRAP 14: Events after the Reporting Date
GRAP 16: Investment Property
GRAP 17: Property, Plant and Equipment
GRAP 19: Provision, Contingent Liability and Contingent Assets
GRAP 21: Impairment of non-cash-generating assets (Not adopted)
GRAP 23: Revenue from non exchange transactions (taxes and transfers)
GRAP 24: Presentation of Budget Information in Financial Statements (Not adopted)
GRAP 26: Impairment of cash-generating assets (Not adopted)
GRAP 100: Non-Current Assets held for sale and discontinued operations
GRAP 102: Intangible Assets
GRAP 103: Heritage Assets (Not adopted)
IAS 19: Employee Benefits
IAS 32: Financial Instruments: Presentation
IAS 36: Impairment of Assets
IAS 39: Financial Instruments: Recognition and measurement
IFRS 7: Financial Instruments: Disclosure
IPSAS 20: Related Parties
IPSAS 21: Impairment non-cash generating Assets
GAMAP 9: Revenue

Accounting policies for material transactions, events or conditions not covered by the above GRAP and/or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such statements issued by the Accounting Standards Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements.

These accounting policies are consistent with those of the previous financial year.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GAMAP or GRAP.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4 HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were discontinued on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund.

Monies standing to the credit of the Housing Development Fund are used to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

Proceeds from housing development fund schemes which include instalment sale of houses is recognised as revenue in the statement of financial performance and a corresponding transfer is made to the Fund.

Expenditure allowed in terms of the Housing Act is expensed in the Statement of Financial Performance and a corresponding transfer is made from the Fund.

1.5 PROPERTY, PLANT & EQUIPMENT

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost. After recognition as an asset, an item of Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment losses. Such assets are financed either by external loans, capital replacement reserve, government grants and contributions and donations.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Any trade discounts and rebates are deducted in arriving at the purchase price.

Directly attributable costs include the following:

- Cost of site preparation.
- Initial delivery and handling costs.
- Installation cost.
- Professional fees.
- Estimated cost of dismantling the asset.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Where an item of property, plant and equipment is acquired at no cost, it is initially recognised at its fair value as at the date of acquisition.

Incomplete construction work is stated at historical cost. Depreciation only commences when the assets are commissioned into use.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Residual value

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

Depreciation

Depreciation is calculated on the depreciable amount (cost less residual value), using the straight line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:

Infrastructure Assets	YEARS
Roads, pavements, bridges and storm water	10-30
Street names, signs and parking meters	5
Water reservoirs and reticulation	30
Electricity reticulation	35-45
Sewerage purification and reticulation	30
Housing	30
Refuse sites	15
Community Assets	
Parks and gardens	10-30
Sport fields	20-30
Community halls	30
Libraries	30
Recreation facilities	20-30
Clinics	30
Fire services	30
Cemeteries	30
Other Assets	
Motor vehicles	5-7
Plant and equipment	3-10
Security measures	3-10
Buildings	0
IT equipment	3-10
Office equipment	3-10
Specialised vehicles	10

Land is not depreciated as it is regarded as having an infinite life.

The residual value and the useful life of an asset shall be reviewed at least at each reporting date and, if expectations differ from previous estimates, the changes shall be accounted for as a change in an accounting estimate in accordance with the Standard of GRAP on Accounting Policies changes in Accounting Estimates and Errors.

Impairment

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amounts is estimated. The Impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had not impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance

Heritage assets

These are assets that are defined as culturally significant resources and are not depreciated as they are regarded as having an infinite life. However, if improvements to heritage assets are conducted and registered as sub-assets and the useful life of the improvements can be determined, the depreciation charge of the relevant property, plant and equipment category is used for the depreciation of the sub-asset which was capitalised against the heritage asset.

Disposal of property, plant and equipment

- The book values of assets are written off on disposal.
- The difference between the net book value of assets (cost less accumulated sales proceeds) is reflected as a gain or loss in the Statement of Financial

Site restoration and dismantling cost

Where the municipality has an obligation to dismantle, remove and restore items of property, plant and equipment, such obligations are referred to as 'decommissioning, restoration and similar liabilities'. These costs include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located and the obligation for which the municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. The costs are capitalised to the cost of the relevant assets.

If the related asset is measured using the cost model:

- ☐ subject to changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- ☐ if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- ☐ if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount, and any impairment loss is recognised in surplus or deficit.

If the related asset is measured using the revaluation model:

changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:

- a decrease in the liability (subject to (b)) is credited to other comprehensive income and accumulated in the revaluation surplus in equity, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit.
- an increase in the liability is recognised in surplus or deficit, except that it is debited to other comprehensive income as a decrease to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- ☐ in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
- ☐ a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and to other comprehensive income under (a). If a revaluation is necessary, all assets of that class are revalued.

1.6 FINANCIAL INSTRUMENTS

There are four categories of financial instruments: fair value through profit or loss (which includes trading), loans and receivables, held-to-maturity and available for sale. All financial assets that are within the scope of IAS 39 are classified into one of the four categories.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities in excess of 12 months. These are classified as non-current assets.

Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate.

Accounts receivable

Trade and other receivables are recognised initially at cost which represents fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor and default or delinquency in payments of all debt outstanding for more than 150 days are considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

When an under recovery occurs during the year an additional contribution for impairment is made from the accumulated surplus at year end.

Bad debts were written off during the year.

Financial liabilities

Financial liabilities are recognised initially at cost which represents fair value. After initial recognition financial liabilities are measured at amortised cost using the effective interest rate.

Gains and losses

Gains and losses arising from changes in financial assets or financial liabilities at amortised cost are recognised in profit and loss when the financial asset or liability is derecognised or impaired through the amortisation process.

Investments held-to-maturity

Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost calculated using the effective interest method.

Investments which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

Surplus funds are invested in terms of Council's Investment Policy. Investments are only made with financial institutions registered in terms of the Deposit Taking Institutions Act of 1990 with an A1 or similar rating institution for safe investment purposes.

The investment period should be such that it will not be necessary to borrow funds against the investments at a penalty interest rate to meet commitments.

Leases

Property, plant and equipment subjected to finance lease agreements are capitalised at their cost equivalent and the corresponding liabilities are raised.

The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life.

Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition.

Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

Operating lease payments or receipts are recognised on the basis of the actual cash inflows and outflows as per the lease contract as permitted in terms of Gazette 30013 of 29 June 2007.

1.7 INVENTORY

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Consumable stores, raw materials, work in progress, unused water, and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

Unsold properties are valued at the lower of cost and net realisable value on a specific identification cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Inventories shall be measured at the lower of cost and current replacement cost where they are held for:

- (a) Distribution at no charge or for a nominal charge; or
- (b) consumption in the production process of good to be distributed at no charge or for a nominal charge

1.8 TRADE CREDITORS

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.9 REVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received or receivable. No settlement discount is applicable.

Rendering of service

When the outcome of a transaction can be estimated reliably relating to the rendering of a service, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of the transaction can be measured reliably when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
 - It is probable that the economic benefits or services potential associated with the transaction will flow to the entity;
 - The stage of completion of the transaction at the reporting date can be measured reliably;
- and
- The cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

This principle also applies to tariffs or charges.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses that are recoverable.

Sale of goods

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- The municipality has transferred to the purchaser the significant risks and rewards of ownership of goods;
- The municipality retains neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Finance income from sold housing by way of instalment sales agreements is recognised on a time proportion basis.

Revenue from the sale of erven is recognised when all conditions associated with the deed of sale have been met.

Revenue from rates including collection charges and penalty interest, shall be recognised when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- There has been compliance with the relevant legal requirements.

The Municipality uses a differentiated site value assessment rate system. According to this assessment rates are levied on the land value of properties and rebates are granted according to the usage of a particular property.

Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income .

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valour has valued the change to properties.

Service charges

Flat rate service charges and consumption-based service charges shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read.

Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Service charges from sewerage and sanitation are based on the size of the property, number of dwellings on each property and connections, using the tariffs approved by Council and are levied monthly.

Fines

Revenue from the issuing of fines is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Government Grants

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Other grants and donations received

Other grants and donations shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

Levies

Levies shall be recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest, royalties and dividends

Revenue arising from the use of assets by others of the municipal assets yielding interest royalties and dividends shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Royalties shall be recognised as they are earned in accordance with the substance of the relevant agreement; and

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified.

The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

Revenue are initially recognised at cost as permitted in terms of Gazette 30013 of 29 June 2007.

1.10 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

1.11 CONTINGENT ASSETS

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. Contingent assets are not recognised as assets.

1.12 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised as liabilities.

1.13 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is raised.

1.14 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash at bank. Short term investments are excluded. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.15 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.16 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.18 COMPARATIVE INFORMATION

Budgeted amounts have been included in the annual financial statements for the current financial year only. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.19 RETIREMENT BENEFITS

The municipality contributes towards retirement benefits of its employees and councillors to the under-mentioned pension funds:

- Cape Retirement Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund

Councillors are members of the Municipal Councillor's Pension Fund that was established in terms of the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998).

a) Defined contribution plans

Contributions to the defined contribution pension plan in respect of service in a particular period are included in the employees' total cost of employment and are charged to the statement of financial performance in the year to which they relate as part of cost of employment.

b) Post employment medical care benefits

The municipality provides post employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost, of these benefits is accrued over the period of employment.

The plans are defined benefit plans.

1.20 BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

1.21 CONSUMER DEPOSITS

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to two months consumption of electricity and water services. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposits.

1.22 EVENTS AFTER BALANCE SHEET DATE

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the balance sheet date. Events after the balance sheet date that are indicative of conditions that arose after the balance sheet date are dealt with by way of a note to the financial statements.

1.23 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the cash basis.

1.24 INVESTMENT PROPERTY

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably. Investment property is initially recognised at cost value. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Investment property is subsequently recognised at fair value. The fair value of Investment Property reflects market conditions at the reporting date.

The fair value is determined by a certified property valuer with the adoption by the municipality of each new valuation roll.

Item

Property - land

Property - buildings

Useful life
indefinite
30 years

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the assets and is recognised in surplus or deficit in the period of retirement or disposal.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.25 RELATED PARTIES

Related parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- ☐ Key management personnel, close members of the family of key management personnel and councillors;

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Key management personnel include all directors or members of the municipal council of the reporting entity where that council has jurisdiction. The council, together with the Municipal Manager and Section 57 employees has authority and responsibility to plan and control the activities of the municipality, to manage the resources and for the overall achievement of municipal objectives. Therefore, key management personnel will include the Municipal Manager, Deputy Municipal Managers and Chief Financial Officer of the municipality

1.26 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

1.27 GENERAL EXPENDITURE

General expenses are accounted for by the municipality as per the requirements of the supply chain management policy, as well as the municipal finance and management act.

1.28 SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits are those benefits to be paid within 12 months after year end. These benefits include salaries and wages and councillor remuneration, leave, bonuses and service awards.

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013 **2012**

1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Cash on hand	-	-
Bank Balance	3 994 331	7 961 605
Short term deposits	66 702 144	57 781 801
	<u>70 696 475</u>	<u>65 743 406</u>

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

ABSA CURRENT 26 5056 0046	3 994 331	7 961 605
Cash book balance at beginning of year	7 961 605	4 528 256
Cash book balance at end of year	<u>3 994 331</u>	<u>7 961 605</u>
Bank statement balance at beginning of year	7 961 605	4 528 256
Bank statement balance at end of year	<u>4 938 807</u>	<u>7 961 605</u>

Current Account (Other Accounts)

ABSA FIXED 206 381 3884	9 059 640	8 616 166
ABSA FIXED 206 350 7897	4 858 449	4 616 529
ABSA: TRUST KEETON 206 350 72	8 344	8 009
ABSA HOUSING 206 509 865	45 717	43 441
FNB LED 740 890 285	2 276 258	2 173 633
FNB WORKING CAPITAL 740 890 284	487 576	470 584
NED BANK WORKING CAPITAL 160 7777 69921	-	-
NED BANK SDL FUND 160 7777 69925	61 426	58 565
NED BANK ECO GREEN 160 7777 69928	49 487	47 174
STANDARD BANK MAINTANANCE 048 5600 650	628 260	601 133
NED BANK EQUIPMENT 160 7777 69923	1 664 429	1 586 920
NED BANK INDIGENT 376 6750 0223	14 352	14 275
NED BANK INSURANCE FUND 160 7777 699	83 201	79 326
ABSA AFF 206 598 6332	-	-
ABSA AFF 206 460 1519	2 062 384	3 451 756
ABSA COUNCIL CHAMBER 206 45741	-	-
ABSA FIXED 206 381 3842	2 953 754	2 806 676
ABSA FIXED 206 348 4566	8 059 175	7 657 880
ABSA FIXED 206 602 3614	31 326 305	24 123 003
STANDARD BANK 486 858 8001	2 925	2 850
DISASTER BANK 40 6484 7486	1 567 035	-
NED BANK ESTABLISHMENT 1607777 699	1 493 426	1 423 880
	<u>66 702 144</u>	<u>57 781 801</u>
Cash book balance at beginning of year	66 702 144	57 781 801
Cash book balance at end of year	<u>66 702 144</u>	<u>57 781 801</u>
Bank statement balance at beginning of year	66 702 144	57 781 801
Bank statement balance at end of year	<u>66 702 144</u>	<u>57 781 801</u>

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013	2012
<u>Savings Account</u>		
	-	-
Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
<u>Cash on hand</u>		
Total cash and cash equivalents	70 696 475	65 743 406

2 CONSUMER DEBTORS

Trade receivables

as at 30 June 2013

	Gross Balances	Provision for Doubtful Debts	Net Balance
Service debtors			
Rates	11 535 620	(6 807 431)	4 728 189
Electricity	883 181	(443 446)	439 735
Water	924 825	(727 774)	197 051
Sewerage	3 651 834	(3 059 417)	592 417
Refuse	4 941 829	(4 184 251)	757 578
Other Recievables	4 613 511	(3 987 900)	625 611
Total	26 550 800	(19 210 219)	7 340 581

as at 30 June 2012

Service debtors			
Rates	9 553 528	(8 652 613)	900 914
Electricity	1 281 506	(832 339)	449 167
Water	1 036 533	(962 837)	73 696
Sewerage	3 349 623	(3 100 361)	249 262
Refuse	4 282 125	(3 918 473)	363 652
Other Recievables	5 648 987	(5 525 329)	123 658
Total	25 152 301	(22 991 952)	2 160 349

Other receivables

Other receivables	-	-	-
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Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013	2012
<u>Rates: Ageing</u>		
Current (0 – 30 days)	100 033	91 055
31 - 60 Days	268 449	244 086
61 - 90 Days	252 400	607 311
91 - 120 Days	245 720	214 966
121 - 150 Days	239 868	208 456
+ 150 Days	10 429 150	8 187 654
Less Provision	(6 807 431)	(8 652 613)
Total	4 728 189	900 914
<u>Refuse: Ageing</u>		
Current (0 – 30 days)	234 790	221 830
31 - 60 Days	199 704	166 332
61 - 90 Days	183 400	124 039
91 - 120 Days	169 045	117 087
121 - 150 Days	123 145	109 021
+ 150 Days	4 031 745	3 543 816
Less Provision	(4 184 251)	(3 918 473)
Total	757 578	363 652
<u>Electricity: Ageing</u>		
Current (0 – 30 days)	287 241	298 659
31 - 60 Days	72 736	101 044
61 - 90 Days	38 176	78 394
91 - 120 Days	23 058	62 913
121 - 150 Days	19 273	40 227
+ 150 Days	442 696	700 270
Less Provision	(443 446)	(832 339)
Total	439 735	449 167
<u>Water: Ageing</u>		
Current (0 – 30 days)	49 059	46 777
31 - 60 Days	34 947	33 249
61 - 90 Days	36 591	34 108
91 - 120 Days	24 033	26 309
121 - 150 Days	24 632	21 164
+ 150 Days	755 564	874 926
Less Provision	(727 774)	(962 837)
Total	197 051	73 696
<u>Sewerage: Ageing</u>		
Current (0 – 30 days)	146 854	133 872
31 - 60 Days	116 562	124 759
61 - 90 Days	100 543	94 795
91 - 120 Days	94 714	90 197
121 - 150 Days	93 939	83 432
+ 150 Days	3 099 222	2 822 567
Less Provision	(3 059 417)	(3 100 361)
Total	592 417	249 262
<u>Other: Ageing</u>		
Current (0 – 30 days)	31 948	1 029 767
31 - 60 Days	36 840	48 191
61 - 90 Days	36 718	47 275
91 - 120 Days	29 288	49 242
121 - 150 Days	26 999	31 671
+ 150 Days	4 451 718	4 442 841
Less Provision	(3 987 900)	(5 525 329)
Total	625 611	123 658

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013		2012
	Consumers	Industrial / Commercial	National and Provincial Government
<u>Summary of Debtors by Customer Classification</u>			
as at 30 June 2013			
Current (0 – 30 days)	318 693	57 861	162 029
31 - 60 Days	390 212	43 725	129 568
61 - 90 Days	389 599	40 577	83 075
91 - 120 Days	357 464	38 224	69 557
121 - 150 Days	357 548	33 800	120 573
+ 150 Days	16 423 605	2 004 021	5 530 121
Sub-total	18 237 121	2 218 207	6 094 923
Less: Provision for doubtful debts	(13 178 210)	(1 613 659)	(4 418 350)
	5 058 911	604 548	1 676 573

Total debtors by customer classification
as at 30 June 2012

Current (0 – 30 days)	1 278 526	68 873	147 433
31 - 60 Days	320 903	65 188	86 567
61 - 90 Days	370 131	251 886	285 913
91 - 120 Days	318 514	73 674	72 431
121 - 150 Days	289 469	45 596	57 360
+ 150 Days	15 161 046	1 714 531	4 145 173
Sub-total	17 738 588	2 219 748	4 794 875
Less: Provision for doubtful debts	(16 462 238)	(2 069 276)	(4 460 438)
Total debtors by customer classification	1 276 350	150 472	334 437

Reconciliation of the doubtful debt provision

Balance at beginning of the year	22 991 952	19 416 067
Contributions to provision	(3 781 734)	3 575 885
Doubtful debts written off against provision	2 135 487	-
Reversal of provision	(2 135 487)	-
Balance at end of year	19 210 218	22 991 952

3 INVENTORIES

Total balance of inventories:

	255 894	69 040 075
Consumable stores - at cost	97 244	130 457
Fuel and Diesel	155 711	128 928
PPE Cost of WIP: Land & Buildings	-	68 777 900
Water	2 939	2 790

4 TRADE AND OTHER RECEIVABLES

Other Receivables (Outstanding Grants)	514 533	514 533
Receivables (used but not billed)	340 976	-
Neighbourhood Development Partnership Grant (Outstanding Grants)	6 074 531	-
Prepayments	620	(26 801)
	6 930 660	487 732

Greater Taung Local Municipality
NOTES TO THE FINANANCIAL STATEMENTS
for the year ended 30 June 2013

5 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
5.1 Reconciliation of Carrying Value								
as at 1 July 2012	8 718 494	33 995 000	399 716 053	4 865 192	-	12 785 345	-	460 080 084
Cost/Revaluation	8 718 494	160 290 635	1 143 370 584	12 361 367	-	19 702 248	-	1 344 443 328
Correction of error								-
Change in accounting policy								-
Accumulated depreciation and impairment losses	-	(126 295 635)	(743 654 531)	(7 496 175)	-	(6 916 903)	-	(884 363 244)
Acquisitions	187 350	-	3 970 751	2 587 388	-	4 366 978	-	11 112 467
Capital under Construction	-	-	-	-	-	-	-	-
Depreciation	-	(5 343 021)	(37 520 604)	(298 435)	-	(2 878 794)	-	(46 040 854)
Carrying value of disposals	-	-	-	-	-	(1 802)	-	(1 802)
Cost/Revaluation	-	-	-	-	-	(560 725)	-	(560 725)
Accumulated depreciation and impairment losses	-	-	-	-	-	558 923	-	558 923
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
as at 30 June 2013	8 905 844	28 651 979	366 166 200	7 154 145	-	14 271 727	-	425 149 895
Cost/Revaluation	8 905 844	160 290 635	1 147 341 335	14 948 755	-	23 508 501	-	1 354 995 070
Accumulated depreciation and impairment losses	-	(131 638 656)	(781 175 135)	(7 794 610)	-	(9 236 774)	-	(929 845 175)

Refer to Appendix B for more detail on property, plant and equipment

Greater Taung Local Municipality
NOTES TO THE FINANANCIAL STATEMENTS
for the year ended 30 June 2012

5.2 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
as at 1 July 2011	8 718 494	25 943 008	430 898 314	9 247 294	-	13 036 038	-	487 843 148
Cost/Revaluation	8 718 494	149 071 157	1 137 032 241	12 361 367	-	17 306 507	-	1 324 489 766
Correction of error								-
Change in accounting policy								-
Accumulated depreciation and impairment losses	-	(123 128 149)	(706 133 927)	(3 114 073)	-	(4 270 469)	-	(836 646 618)
Acquisitions	-	11 219 478	6 338 343	-	-	2 395 741	-	19 953 562
Capital under Construction	-	-	-	-	-	-	-	-
Depreciation	-	(3 167 486)	(37 520 604)	(4 382 102)	-	(2 646 434)	-	(47 716 626)
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
as at 30 June 2012	8 718 494	33 995 000	399 716 053	4 865 192	-	12 785 345	-	460 080 084
Cost/Revaluation	8 718 494	160 290 635	1 143 370 584	12 361 367	-	19 702 248	-	1 344 443 328
Accumulated depreciation and impairment losses	-	(126 295 635)	(743 654 531)	(7 496 175)	-	(6 916 903)	-	(884 363 244)

Refer to Appendix B for more detail on property, plant and equipment

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013

2012

6 INVESTMENT PROPERTY CARRIED AT COST

6.1 Reconciliation of fair value

	Investment property	Total
as at 1 July 2012	3 241 500	3 241 500
Cost	3 241 500	3 241 500
Correction of error		-
Change in accounting policy		-
Accumulated depreciation and impairment losses	-	-
Acquisitions	-	-
Depreciation	-	-
Carrying value of disposals	-	-
Cost	-	-
Accumulated depreciation	-	-
Impairment loss/Reversal of impairment loss	-	-
Transfers	-	-
Other movements	-	-
Fair Value as at 30 June 2013	3 241 500	3 241 500
Cost	-	-
Accumulated depreciation and impairment losses	-	-

6.2 Reconciliation of fair value

	Investment property	Total
as at 1 July 2011	3 241 500	3 241 500
Cost	3 241 500	3 241 500
Correction of error		
Change in accounting policy		
Accumulated depreciation and impairment losses	-	-
Acquisitions	-	-
Depreciation	-	-
Carrying value of disposals	-	-
Cost	-	-
Accumulated depreciation	-	-
Impairment loss/Reversal of impairment loss	-	-
Transfers		-
Other movements		-
as at 30 June 2012	3 241 500	3 241 500
Cost	3 241 500	3 241 500
Accumulated depreciation and impairment losses	-	-

The Municipality initially recognised investment property using fair values as determined by a Professional valuer and recognised as deemed cost effective 1 July 2012.

The market in which the investment property is stagnant and the fair values of the investment property was determined as R3 241 500 for respective years. No fair value adjustment was transferred to the statement of comprehensive income for the year end 30 June 2013.

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013 **2012**

7 TRADE AND OTHER PAYABLES

<i>Trade creditors</i>		
Payments received in advance	-	397 948
Retentions	6 510 046	1 397 000
Accruals	8 093 545	8 368 091
Accrued interest	-	-
Accrued expense SARS	-	-
Deposits Received	98 267	83 467
Other creditors	-	-
Total creditors	14 701 859	10 246 506

The fair value of trade and other payables approximates their carrying amounts.

8 CONSUMER DEPOSITS

Electricity	142 314	135 694
Total consumer deposits	142 314	135 694
Guarantees held in lieu of Electricity Deposits	-	-

9 VAT (PAYABLE)/RECEIVABLE

VAT (payable)/receivable	760 605	1 351 546
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VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

10 PROVISIONS

Reclamation of Landfill Site	-	-
Post Retirement Medical Aid	-	-
Provision for Performance Bonus (Sec 57)	-	-
Total Provisions	-	-

11 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

11.1 Unspent Conditional Grants from other spheres of Government

MIG Grants	31 259 053	9 770 192
FMG	433 567	535 903
Disaster Fund	1 176 200	-
MSIG	259 847	154 912
NDP Grant	-	10 562 163
Mineral & Energy (EPWP)	1 166 129	430 000
Library Grant	1 161 415	1 076 925

11.2 Other Unspent Conditional Grants and Receipts

Taung Flood Damages and Roads (Investment)	-	-
SASSA	40 000	40 000

Total Unspent Conditional Grants and Receipts	35 496 212	22 570 094
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12 PROPERTY RATES

Actual

Municipal - Annual Levy	9 882 970	9 536 749
Municipal - Income for Gone	(4 540 593)	(4 377 230)
Total property rates	5 342 376	5 159 519
Property rates - penalties imposed and collection charges	878 876	787 224
Total	878 876	787 224

**Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013**

	2013	2012
Valuations		
Residential	159 517 650	155 555 450
Commercial	68 328 200	68 087 700
State	54 337 500	54 337 500
Small Holdings and Farms	667 302 356	667 302 356
Exempted	32 834 410	35 691 833
Empty Sites	6 041 100	5 268 100
Total Property Valuations	988 361 216	986 242 939

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2009. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations.

A general rate of R0.02352 is applied to property valuations to determine assessment rates as approved by Council in the tariffs list. Rebates are granted to residential, pensioners, and indigents property owners. Rates are levied on an annual basis on property owners.

Rates are levied on an annual basis with the final date of payment being 30 June 2013. Interest at 12% per annum are levied on outstanding rates after 30 September 2012.

13 SERVICE CHARGES

Sale of electricity	2 066 520	2 506 392
Sale of water	417 110	373 688
Refuse removal	2 163 897	1 905 616
Sewerage and sanitation charges	1 408 023	1 329 074
Total Service Charges	6 055 550	6 114 770

14 RENTAL OF FACILITIES AND EQUIPMENT

Rental Income	241 123	341 732
Total rentals	241 123	341 732

15 INTEREST EARNED - EXTERNAL INVESTMENTS

Bank	4 501 960	4 264 823
Total interest	4 501 960	4 264 823

16 INTEREST EARNED - OUTSTANDING RECEIVABLES

Interest on Late Payments	1 124 406	1 034 230
Total interest	1 124 406	1 034 230

17 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	100 537 000	88 613 000
Department of Sports - Library	495 510	357 676
MIG Grant	8 633 139	19 777 533
Financial Management Grant	1 375 336	952 168
Municipal Systems Improvement Grant	695 064	635 464
LG SETA	138 245	168 737
NDP GRANT	10 278 694	11 175 543
EPWP GRANT	263 871	-
Department of Housing	-	-
Total Government Grant and Subsidies	122 416 859	121 680 120

17.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members and allowance to 51 councillors

17.2 MIG Grant

Balance unspent at beginning of year	9 770 192	2 572 725
Current year receipts	32 722 000	26 975 000
Conditions met - transferred to revenue	(11 233 139)	(19 777 533)
Conditions still to be met - remain liabilities	31 259 053	9 770 192

The grants was used to construct roads and other infrastructure assets

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013 **2012**

17.3 Other Government Grants and Subsidies

Department of Sports - Library

Balance unspent at beginning of year	1 076 925	764 601
Current year receipts	670 000	670 000
Conditions met - transferred to revenue	(585 510)	(357 676)
Conditions still to be met - remain liabilities	1 161 415	1 076 925

Grant was used for library activities and assets

Financial Management Grant

Balance unspent at beginning of year	535 903	238 070
Current year receipts	1 500 000	1 250 000
Conditions met - transferred to revenue	(1 602 336)	(952 168)
Conditions still to be met - remain liabilities	433 567	535 903

This grant was used to promote and support reforms to financial management practices, including the modernisation of budgeting, financial management, accountin, monitoring systems and implementation of the Financial Management Act

Municipal Systems Improvement Grant

Balance unspent at beginning of year	154 912	376
Current year receipts	800 000	790 000
Conditions met - transferred to revenue	(695 064)	(635 464)
Conditions still to be met - remain liabilities	259 847	154 912

The grant was used to establish building capacity in the district and local municipalities to ensure that the new developmental system of local government is fully implemented.

Neighbourhood Development Partnership Grant

Balance unspent at beginning of year	10 562 163	17 237 705
Current year receipts	(6 358 000)	4 500 000
Conditions met - transferred to revenue	(10 278 694)	(11 175 543)
Conditions still to be met - remain liabilities	(6 074 531)	10 562 163

Department of Minerals & Energy

Balance unspent at beginning of year	430 000	-
Current year receipts	1 000 000	430 000
Conditions met - transferred to revenue	(263 871)	-
Conditions still to be met - remain liabilities	1 166 129	430 000

Department of Local Government - Disaster Fund

Balance unspent at beginning of year	500 000	-
Current year receipts	1 000 000	500 000
Conditions met - transferred to revenue	(323 800)	-
Conditions still to be met - remain liabilities	1 176 200	500 000

Department of Housing and Local Government

Balance unspent at beginning of year	(514 533)	(514 533)
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - remain liabilities	(514 533)	(514 533)

Grant was utilised for construction of RDP houses - Report submitted to Prov for refund

LG SETA

Current year receipts	138 245	168 737
Conditions met - transferred to revenue	(138 245)	(168 737)
Conditions still to be met - remain liabilities	-	-

17.4 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013	2012
18 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS		
Other income		
Sundry Income	1 236 179	624 518
Decrease in Provision for Doubtful Debts	1 646 247	-
Assets at Fair Value	-	74 200 987
Other Income	243 059	313 225
Total Other Income	3 125 485	75 138 731
19 EMPLOYEE RELATED COSTS		
Salaries and Wages	27 600 575	25 529 924
UIF Contributions	241 386	224 754
Medical Aid - Company Contributions	1 955 143	6 090 667
Casual Labour	202 291	97 760
Car Allowance	5 558 860	4 900 280
Group Life	11 847	10 215
Housing benefits and allowances	56 579	50 931
Overtime payments	146 406	197 484
Bonus	2 208 207	2 024 117
Pension Fund Contributions	5 042 148	4 641 282
Leave Pay Provision Charge	596 395	1 266 146
Standby Allowances	144 861	118 639
Skills Development Levy	296 391	259 905
Defined Benefits: Current Portion	320 315	-
Defined Benefits: Interest Cost	361 066	-
Bargaining Council Levies	16 530	11 177
Total Employee Related Costs	44 759 000	45 423 281
There were no advances or loans to employees.		
Remuneration of the Municipal Manager		
Annual Remuneration	-	-
Telephone Allowance	-	-
Travel, motor car, accommodation, subsistence and other allowances	-	-
House Allowance	-	-
Contributions to UIF, Medical and Pension Funds	-	-
Total	-	-
Remuneration of the Acting Municipal Manager		
Annual Remuneration	773 634	707 868
Performance- and other bonuses	-	82 987
Travel, motor car, accommodation, subsistence and other allowances	475 667	464 376
Contributions to UIF, Medical and Pension Funds	9 241	8 327
Total	1 258 542	1 263 558
Remuneration of the Chief Finance Officer		
Annual Remuneration	360 143	258 894
Performance- and other bonuses	-	-
Leave	52 131	-
Travel, motor car, accommodation, subsistence and other allowances	117 912	99 199
Contributions to UIF, Medical and Pension Funds	4 424	3 708
Total	534 609	361 801
Remuneration of Individual Executive Directors		
Remuneration of Director Technical Services		
Annual Remuneration	625 933	557 274
Performance- and other bonuses	-	74 844
Acting allowance (Dir Land Use)	-	186 450
Leave	194 210	-
Travel, motor car, accommodation, subsistence and other allowances	23 125	149 512
Contributions to UIF, Medical and Pension Funds & other allowances	7 804	6 853
Total	851 072	974 932
Remuneration of Director Community Services		
Annual Remuneration	584 856	540 372
Travel, motor car, accommodation, subsistence and other allowances	155 404	181 780
Performance- and other bonuses	-	31 185
Contributions to UIF, Medical and Pension Funds & other allowances	7 439	6 733
Total	747 699	760 070

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013	2012
Remuneration of Director Land Use		
Annual Remuneration	529 111	48 954
Travel, motor car, accommodation, subsistence and other allowances	1 250	10 000
House Allowance	-	3 000
Contributions to UIF, Medical and Pension Funds	6 606	515
Total	536 967	62 469
Remuneration of Director Corporate Services		
Annual Remuneration	436 749	42 659
Performance- and other bonuses	-	59 608
Medical Aid	-	3 172
Travel, motor car, accommodation, subsistence and other allowances	97 966	629
Contributions to UIF and Pension Funds	5 706	16 575
Total	540 421	122 643
20 REMUNERATION OF COUNCILLORS		
Mayor	484 164	458 916
Speaker	387 348	367 140
Executive Committee Members	3 994 320	3 384 476
Councillors	5 519 424	5 388 486
Councillors' allowances	3 461 634	3 199 464
Total Councillors' Remuneration	13 846 890	12 798 482
In-kind Benefits		
The Mayor, Speaker, Chief Whip and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor and Speaker has use of the Council owned vehicle for official duties.		
21 DEPRECIATION AND AMORTISATION EXPENSE		
Property, plant and equipment	46 040 854	47 716 626
Intangible assets		
Investment property carried at cost		
Biological assets carried at cost		
Total Depreciation and Amortisation	46 040 854	47 716 626
22 FINANCE COSTS		
Late Payments of Tax	-	-
Other Interest Paid	271 282	-
Bank overdrafts	-	-
Total Finance Costs	271 282	-
23 BULK PURCHASES		
Electricity	2 548 561	2 287 070
Water	-	-
Total Bulk Purchases	2 548 561	2 287 070
24 CONTRACTED SERVICES		
Short Term Insurance	498 158	759 230
Legal Cost	8 545 964	1 713 843
Licence Fees	232 788	166 993
Professional Fees	33 843	119 056
Security Guards	1 700 131	937 497
Telephones & Faxes	1 745 054	1 797 870
Valuation Cost	62 027	117 404
Rental: Office Machines Operating Lease	602 656	2 039 897
	13 420 621	7 651 791

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013 **2012**

25 GENERAL EXPENSES

Included in general expenses are the following:-

Advertising	623 672	660 064
Allowance Ward Committee Members	2 511 000	2 315 000
Asset Management	1 225 231	147 421
Aerodrome Licence	-	-
Audit fees	1 568 487	1 776 710
Accommodation Costs	787 382	851 300
Bank charges	103 525	103 620
Business Support/ SMME Facilitation	652 764	257 592
Books and Publication	26 615	19 328
Bursaries	303 183	241 533
Catering and Refreshments Expenses	383 261	400 591
Cleaning	31 083	365 052
Consulting and Professional Fees	-	39 204
Consumables	-	12 590
Contracted Services per copy (Itech)	-	497 328
DME Projects	-	1 863 761
Document Management	267 550	291 836
Disaster Expenses	268 493	828 957
EPWP Expenditure	263 871	-
Finance Management Grant	1 365 336	938 138
Fuel and oil	3 292 731	2 671 662
Free Service and Indigent Support	1 903 181	1 868 505
Grant in Aid	28 205	439 229
Health and Safety	163 828	212 544
Land Zoning	252 906	102 683
Library Programmes	250	36 560
Library Expenditure	107 785	37 026
MSIG	645 848	153 589
Postage and Courier Costs	40 352	20 317
Printing and stationery	365 112	280 704
Purchase of Water (Own Usage)	83 222	582 191
Purchase of Electricity (Own Usage)	1 641 896	1 243 192
Project Management Unit (PMU)	699 398	-
Protective Clothing	180 439	160 844
Public Participation	1 424 164	1 226 373
Sports	211 435	339 603
Stores and material	261 339	269 465
Subscription & Membership Fees	639 914	651 365
Special Programmes	1 006 308	1 022 510
Title Deed Search Fees	9 078	9 516
Turn Around Strategy	372 704	1 199 632
Training	367 027	614 055
Subsistence and Travel	1 090 068	1 030 363
Year End Function	90 058	75 526
War on Poverty	-	45 198
Workmans Compensation	261 725	956 958
Workshop/Add Off Rental	433 202	-
Tourism Awareness	-	43 150
Manokwane Disaster	1 737 622	-
Total General Expenses	27 691 250	26 902 784

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013	2012
26 GAIN / (LOSS) ON SALE OF ASSETS		
Property, plant and equipment	(1 802)	-
Intangible assets	-	-
Investment property	-	-
Biological assets	-	-
Other financial assets	-	-
Total Gain / (Loss) on Sale of Assets	(1 802)	-

27 IMPAIRMENT LOSS / (REVERSAL OF IMPAIRMENT LOSS)

Property, plant and equipment

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

Intangible assets

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

Investment property

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

Biological assets

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

Other financial assets

Describe the events and circumstances that led to the recognition or reversal of the impairment loss. The recoverable amount (or recoverable service amount) of the asset was based on its fair value less costs to sell or [its value in use.]

Total Impairment loss / (Reversal of Impairment Loss)

-	-
---	---

Value in use

Provide: A description of each key assumption on which management has based its cash flow projections for the period covered by the most recent budgets/forecasts. Key assumptions are those to which the unit's (group of units') recoverable amount (or recoverable service amount) is most sensitive.

A description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

The period over which management has projected cash flows based on financial budgets/forecasts approved by management and, when a period greater than five years is used for a cash-generating unit (group of units), an explanation of why that longer period is justified.

The growth rate used to extrapolate cash flow projections beyond the period covered by the most recent budgets/forecasts, and the justification for using any growth rate that exceeds the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market to which the unit (group of units) is dedicated.

The discount rate(s) applied to the cash flow projections was x% (20x0:x%).

Fair value less cost to sell

Provide: A description of the methodology used to determine fair value less costs to sell. If fair value less costs to sell is not determined using an observable market price for the unit (group of units), the following information shall also be disclosed:

A description of each key assumption on which management has based its determination of fair value less costs to sell.

A description of management's approach to determining the value(s) assigned to each key assumption, whether those value(s) reflect past experience or, if appropriate, are consistent with external sources of information, and, if not, how and why they differ from past experience or external sources of information.

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013	2012
28 CASH GENERATED BY OPERATIONS		
Surplus/(deficit) for the year	(13 791 177)	64 663 953
Adjustment for:-		
Depreciation and amortisation	46 040 854	37 096 985
(Gain) / loss on sale of assets	-	-
Contribution to provisions - non-current		
Contribution to provisions - current		
Finance costs	271 282	-
Movement in provisions	1 646 247	6 947 922
Impairment loss / (reversal of impairment loss)	-	-
Interest earned	(4 501 960)	(4 264 823)
Prior period Errors	(91 966 660)	-
Other non-cash item	900 159	-
Operating surplus before working capital changes:	(61 401 255)	104 444 037
(Increase)/decrease in inventories	68 784 181	(68 878 024)
(Increase)/decrease in trade receivables	(5 180 232)	(108 882)
(Increase)/decrease in other receivables	(6 442 929)	6 406
(Increase)/decrease in VAT receivable	590 941	1 271 095
Increase/(decrease) in conditional grants and receipts	12 926 117	1 612 804
Increase/(decrease) in trade payables	4 455 353	1 779 626
Increase/(decrease) in consumer deposits		
Increase/(decrease) in VAT payable		
Other asset		
Other liability		
Cash generated by/(utilised in) operations	13 732 175	40 127 062
29 CHANGE IN ACCOUNTING POLICY AND CORRECTION OF ERRORS		
Correction of Errors		
Balance previously reported: -	-	-
Provision for Backpay to councillors on new grading	-	-
Payment of backpay to councillors	-	-
Total	-	-
Balance previously reported: -	-	-
Write off against Acc Surplus	-	-
Payment of backpay to councillors	-	-
Total	-	-
30 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
30.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure		
Opening balance	-	-
Unauthorised expenditure current year	3 653 581	3 840 120
Approved by Council or condoned	(3 653 581)	(3 840 120)
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	-	-
	-	-
30.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance -	-	-
Fruitless and wasteful expenditure current year(SARS Penalties)	-	-
Fruitless and wasteful expenditure (Interest Paid)	-	-
Condoned or written off by Council	-	-
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013 **2012**

30.3 Irregular expenditure

Reconciliation of irregular expenditure		
Opening balance	34 447 253	33 542 002
Irregular expenditure for current year	5 011 676	905 251
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement		
	39 458 929	34 447 253

AA Wholesalers / '@ Home Store	13 000	14 516
Ace Hydraulic / Amies Multi Save	2 486	5 253
Addfin / Atloholang Transport	20 000	17 900
Al2 Stadler / BS Ntong	151 830	2 600
Alfisa Cabinet Making / Bax Sound Hire	5 005	2 000
Avis Couch / Boiketlo Guest House	14 579	1 200
Barloworld Equipment / Boschdal Guest House	334 470	2 661
Bax Sound Hire / Bothokwane Transport	3 800	3 000
BBS Tractors / Botshelo Kopano Consulting	5 948	4 000
Becker Crushers	4 283	-
Bell	3 459	-
Bokao enterprise	39 000	-
Business Engineering	14 478	-
Caviaans Juwele	2 272	-
CTM	8 177	-
Cum Laude	2 850	-
Damelin / Diatla Dintle Office Renovators	12 660	115 000
Desnic's Planet / Dimaswe Construction	7 500	2 625
Diteko Catering	4 050	-
Don Gresswell Library	97 726	-
Du Plessis & Viviers / EP Tau Transport	4 568	2 300
FBL Security Services	167 381	68 520
Government Printing Works / GM Moapesi Transport	7 750	1 500
GC Seleke Transport / Gali Catering	2 550	4 788
Glory Computers	93 870	52 555
Goitse Leisure Services	7 800	18 800
Hartswater Sport / Gopolang tsa Africa Supply	2 511	2 000
Gizalo Building Construction / HS Thejane Catering	22 600	13 750
Hino Vryburg / Harbour Bridge Hotel	15 046	3 150
Henda Trust / J & J Logistics	17 088	1 200
IMFO / KJ Borale Transport	7 020	4 710
Ithilien Grace / Meitumetse Kealeboga	2 976	13 500
JM Langa / Kesego TPT Transport	1 200	2 250
Jonas Travel and Tours / Kettantshang Trading	1 750	4 000
Jua-Kali Trading / Kgabo & Tholo Trading	18 000	1 600
Kimberley Bakkie Centre / Kgonego Transport Services	74 900	1 500
Kopano Butchery	32 150	8 000
Koebe Transport / Kotlametse B&B	2 000	2 760
KJ Borale Transport / Kule Business Enterprise	1 800	48 000
Leblanc / Lau's Catering & Flowering	56 939	3 000
Lerwana Trading / Lavender Moon Trading 57	10 500	11 000
Lewis Stores / Lebo-Kego Services	100 199	1 870
Macdonald Lodge/Lencwe Transport	124 600	3 750
Mamelo Trading / Lokaleng Catering Services	109 800	1 995
Mashalaba & Ass / MI Bothokwane Transport	231 085	8 080
Milano Signs / MS Koebe Transport	6 840	3 570
Mmabana Arts, Culture & Sports / Marang Decorations	2 500	3 500
Mmabatho Palms / Mmusi Transport	2 380	3 000
Mochachos Chicken Village / MN Sons & Transport Logistics	217 000	7 000
Morweng Taxi / MNC Tent & Trading	900	19 000
Modisa Lodge & Kleinplasie	106 453	10 989
North West University / Mokgalagadi Transport	26 648	8 000
Nobula Express Tours / Molatlhegi's Transport	1 600	6 400
Mo-Styles Transport Services	10 335	20 570
National Auto glass / Nqeba Fanie Transport	5 565	3 200
Owl Loft Country House	4 000	-
Ora and Ore Construction / Ntirele General Contractors	8 550	4 900
Oretlaments Trading / OM Mocuminyana Transport	18 700	17 780
Paul Bethner Pty Ltd / Odimongo Trading CC	2 890	5 500
Paper City Tent Hire	2 793	6 954
Paulana Motors / Peermont Metcourt Rio	42 655	9 800
Real Life Cleaners & Catering	9 150	6 700
Phokwane Panelbeaters / Reetsang Transport Services	2 500	7 500
Power Trade / SCM Signs Cc	2 500	19 608
Protea Hotel Kimberley / Seotheang Trading	111 937	3 800
Pye Bredenkamp / Sequo Catering	3 762	19 640
Quality Engineering / Skhenkhe Trading CC	1 954	3 800
Re Tla Ole Trading / TE Seeco	40 000	7 000
Taung Hotel Convention Resorts	268 614	2 920

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013	2012
Renault Vaal / Taung Football Ass	70 000	7 000
Rio Hotel / The July Group	12 120	195 000
Roadspan / The Royal Marang Hotel	58 533	3 182
Roba Monakedi	4 140	-
Sanray Signs	39 000	-
Short Nissan	19 381	-
Siyakhula Trust	95 942	-
Southern Business School	31 370	-
Stegmann Golf	4 241	-
Striving Mind Trading	6 500	-
TA Motabogi	10 400	-
Tabea News	2 000	-
Taung Built It	25 803	-
Taung Cash Built	4 102	-
Taung Enrichment Centre	25 720	-
TG Sports	16 690	-
TH Lethaku Transport	2 500	-
TLT Logistics	4 875	-
Tops @ Topspaar	9 877	-
Toyota Hartswater	11 559	-
Uncle T Transport	3 030	-
Toyota Vryburg	4 958	-
W Morris	1 900	-
Warrenmed	8 370	-
Whap South Africa	12 099	-
Tokwe Transport	-	3 800
Waltons	25 064	39 805
MANOKWANE DISASTER	1 737 622	-
Total Irregular Expenditure 2012/2013	5 011 676	905 251

Investigation has been done - Report will be submitted to council

**31 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE
MANAGEMENT ACT**

31.1 Contributions to organised local government

Opening balance	-	-
Council subscriptions	639 914	651 365
Amount paid - current	(639 914)	(651 365)
Amount paid - previous years	-	-
Balance unpaid (included in payables)	-	-

31.2 Audit fees

Opening balance	-	-
Current year audit fee	1 568 487	1 776 710
Amount paid - current year	(1 568 487)	(1 776 710)
Amount paid - previous years	-	-
Balance unpaid (included in payables)	-	-

31.3 VAT

VAT input receivables and VAT output payables are shown in note 18. All VAT returns have been submitted by the due date throughout the year.

31.4 PAYE, SDL and UIF

Opening balance	-	-
Current year payroll deductions	10 297 683	7 255 637
Amount paid - current year	(10 297 683)	(7 255 637)
Amount paid - previous years	-	-
Balance unpaid (included in payables)	-	-

31.5 Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	11 337 445	10 128 058
Amount paid - current year	(11 337 445)	(10 128 058)
Amount paid - previous years	-	-
Balance unpaid (included in payables)	-	-

The balance represents pension and medical aid contributions deducted from employees in 2012/2013 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during 2012 and 2013.

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013 **2012**

31.6 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at: -	Total	Outstanding less than 90 days	Outstanding more than 90 days
as at 30 June 2013			
EDWARD GS	2 649	78	2 570
KANYANE MS	6 766	3 127	3 639
SETHI JD	602	524	-

Total Councillor Arrear Consumer Accounts	10 017	3 729	6 209
--	---------------	--------------	--------------

as at 30 June 2012			
SETHI JD	2 402	-	2 402
TSHIPO GJ	858	316	542
GALODIKWE KP	754	26	728
EDWARD GS	10 926	738	10 189
KANYANE MS	6 866	425	6 441
Total Councillor Arrear Consumer Accounts	21 806	1 505	20 302

During the year the following Councillors had arrear accounts outstanding for more than 90 days.

Highest Amount Outstanding **Ageing Days**

as at 30 June 2013

EDWARD GS	2 570	> 90 days
KANYANE MS	3 639	> 90 days

All cllrs do have arrangement to deduct from salary per month to cover arrears

as at 30 June 2012

KANYANE MS	6 441	> 90 days
SETHI JD	2 402	> 90 days
EDWARD GS	10 189	> 90 days
TSHIPO GJ	542	> 90 days

31.7

Non-Compliance with Chapter 11 of the Municipal Finance Management Act

None

32 CAPITAL COMMITMENTS

32.1 Commitments in respect of capital expenditure

- Approved and contracted for	37 197 011	41 733 212
Property Plant and Equipment	37 197 011	41 733 212
Community		
Heritage		
Other		
- Approved but not yet contracted for	-	-
Infrastructure		
Community		
Heritage		
Other		
Total	37 197 011	41 733 212

This expenditure will be financed from:

- External Loans		
- Government Grants	37 197 011	41 733 212
- Own resources	-	-
- District Council Grants	-	-
	37 197 011	41 733 212

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013 **2012**

33 CONTINGENT LIABILITY

33.1 Claim for damages

GESTETNER V/S GTLM

The Municipality has since terminated the contract with Gestetner on 31st of December 2009. Gestetner has involved their attorneys which are still communicating with the Municipality. This matter is still pending

65 000 78 104

MS MOFOKENG V/S I MAKGALEMANE AND OTHERS - Mpho Mofokeng in his capacity as the Acting Municipal Manager of GTLM brought an application to on an urgent basis at the high court in Mafikeng restraining the respondents from taking and implementing illegal and unlawful decisions reporting that those decisions were the legitimate decisions of the municipality. The high court ruled that this application was not urgent and that therefore the applicant can bring the application again on a none urgent basis. This matter has been referred to MPAC

80 000

GTLM V/S MEOKGO MATUBA

This matter has been concluded & considered closed

- 300 000

MAXIMA GLOBAL ENGINEERING (PTY) Ltd V/S GTLM

They are demanding payment in respect of developing 2000 RDP Housing subsidies. This matter is still pending

765 000 400 000

MOEMEDI BAIJANG AND OTHERS V/S GTLM

They are challenging the appointment of the Acting Municipal Manager. This matter is still pending

750 000

TAU PELE CONSTRUCTION V/S GTLM

They are demanding payment from the municipality for services delivered. This matter is still pending.

150 000

GLENAPS BUILDING CONSTRUCTION V/S GTLM

They claim payment in respect of services which they claim to have rendered in the Municipality. This matter is still pending.

180 000

34 EVENTS AFTER THE REPORTING DATE

None

35 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment

Recoverable amounts of property, plant and equipment

Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows)

Present value of defined benefit obligation

Fair value of plant assets

Provision for doubtful debts

Impairment of assets

Provision for long-term service award

Other

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets

Provisions

Other

36 RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the municipality's financial performance.

36.1 Maximum credit risk exposure

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of "B+" are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non-payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013

2012

36.2 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Liquidity risk is mitigated by the fact that sundry debtors have been adequately provided for as impaired and that the Municipality has no consumer debtors that will affect available cash balances.

36.3 Other price risk

Potential concentrations of credit risk and interest rate risk consists mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by settling transaction / exposure limits, which are included in the municipality's Investments Policy.

37 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with the budgeted is set out in Annexure E.

38 PRIOR PERIOD ERROR

A number of correction were made to the prior years' financial statements as a result of prior period errors and/or changes in the reporting framework (Changes in Accounting Policies). Where applicable the corrections and/or changes were adjusted retrospectively, unless otherwise stated. These corrections resulted in the following adjustments:

Statement of Financial Position

Non Current Assets

Property, Plant and Equipment
Investment Property

-	694 712 796
-	3 241 500

Current Assets

VAT Receivable
VAT interest received. The payments to Maxprof were incorrectly posted to VAT accounts

-	2 875 918
---	-----------

Non Current Liabilities

Provision for Rehabilitation for Land Fill Site
Post Retirement Medical Aid
Lease Liability

-	2 500 000
-	(4 382 638)
-	49 176

Current Liabilities

Post Retirement Medical Aid
Lease Liability

-	4 382 638
-	387 137

Statement of Comprehensive

Depreciation Expense

-	5 155 551
---	-----------

Property, Plant & Equipment

Balance Previously Reported
Restatement as at 2011/2012
Restated Balance as at 2011/2012

-	1 154 792 881
-	(694 712 796)
-	460 080 085

The municipal assets were reinstated and corrected during the current year as a result of prior year misstatements, the net impact to the asset was R694 712 796

Investment Property

The restatement of property plant and equipment was a result of implementation of GRAP 17. The exercise for unbundling of assets was conducted with the effective date of 1 July 2012. Valuation was conducted by professional valuers using Depreciated Replacement Cost method as follows:

-	3 241 500
---	-----------

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

	2013	2012
<u>Land and Buildings</u>		
Balance previously reported 2011/2012	-	70 434 286
Restatement as at 30 June 2012	-	(27 720 792)
Restated Balance as at 2011/2012	-	42 713 494
<u>Infrastructure</u>		
Balance previously reported 2011/2012	-	1 065 468 598
Restatement as at 30 June 2012	-	(665 752 545)
Restated Balance as at 2011/2012	-	399 716 053
<u>Community Assets</u>		
Restated balance as at 30 June 2012	-	-
Balance previously reported 2011/2012	-	(9 808 945)
Restatement as at 30 June 2012	-	(9 808 945)
<u>Other Assets</u>		
Restated balance as at 30 June 2012	-	12 616 190
Balance previously reported 2011/2012	-	(18 889 997)
Restatement as at 30 June 2012	-	(6 273 807)
<u>Leased Assets</u>		
Restated balance as at 30 June 2012	-	169 156
Balance previously reported 2011/2012	-	-
Restatement as at 30 June 2012	-	169 156
These were incorrectly recognised as operating leases in the prior years		

Dump Site Provision

The municipality recognised a provision for rehabilitation of landfill sites of R2,500,000 in the previous year. However the district municipality has the responsibility to restore all the dump site, hence the municipality do not have the obligation for restoring the land.

Depreciation

Depreciation was incorrectly calculated in the prior year and the Property, Plant and equipment note did not agree with the depreciation expenditure

39 EMPLOYEE BENEFITS

The municipality operates a funded post-employment health care defined benefit plans for qualifying employees.

Employees of the municipality are members of Bonitas, Hosmed, Samwumed and LA Health medical schemes.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2013 by Mr C Weiss (BSc FFA), Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The municipality does not have long term assets set aside off-balance sheet in respect of the post employment health care liability.

The amounts recognised in the statement of financial position are as follows:

Net defined benefit liability

Present value of the unfunded net liabilities in excess of plan assets	4 163 860	4 398 194
Non current liabilities	4 150 444	4 382 638
Current Liabilities	13 416	15 556
	4 163 860	4 398 194
Post-employment Health Care Benefits		
Opening accrued liability	4 398 194	3 768 272
Current-service cost	320 315	277 204
Interest Cost	361 066	330 761
Contributions (benefits paid)	(15 556)	(57 048)
Total Annual Expense	665 825	550 917
Actuarial loss / gain	(900 159)	79 005
Closing accrued liability	4 163 860	4 398 194
Net expense recognised in the statement of financial performance		
Current services cost	320 315	277 204
Interest Cost	361 066	330 761
Total included in employee related costs	681 381	607 965

Greater Taung Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

2013 **2012**

The Projected Unit Credit Method has been used to value the liabilities

Trend information	2011	2012	2013
Present value of obligation	3 768 272	4 398 194	4 163 860
Fair Value of plan assets	-	-	-
	3 768 272	4 398 194	4 163 860

Key assumptions

Key financial assumptions

Assumptions

Discount Rate		9.50%	
Health care cost inflation rate		8.11%	
Net effective discount rate		1.29%	

Key Demographic Assumptions

Assumption

Value

Average retirement age
Continuation of membership at retirement
Proportion assumed married at retirement
Proportion of eligible current non-member employees joining the scheme by retirement
Mortality during employment
Mortality post employment
Withdrawal from service (sample annual rates)

65
40%
90%
30%
SA 85-90
PA90-1

	Age	Females	Males
2011/2012	20	24%	16%
	30	15%	10%
	40	6%	6%
	50	2%	2%
	Greater than 55	0%	0%
2010/2011	20	24%	
	30		
	40		
	50		
	Greater than 55		

The projections assume that the health care arrangements and subsidy policy will remain as outlined and that all the actuarial assumptions made are borne out of practice. In addition, it is assumed that the level of benefits receivable, and the contributions payable in respect of such, would remain unchanged, with the exception of allowing for inflationary adjustments and also that current levels of cross-subsidy from in-service members to continuation members within the medical scheme are sustainable, and will continue.

Full valuation is available.

40 Finance Lease Obligation

Minimum lease payments due

* within one year 73 553 443 402
* in second to fifth year inclusive 7 980 296 549

Less: future finance charges

81 533 739 951
(32 357) (303 638)

Present value of minimum lease payments

49 176 436 313

Present value of minimum lease payments due

* within one year 68 447 387 137
* in second to fifth year inclusive 6 879 49 176
75 326 436 313

Non-current liabilities

6 879 49 176

Current liabilities

42 297 387 137
49 176 436 313

It is the municipality policy to lease certain property, plant and equipment under finance leases. The average lease term was 3 years and the average effective borrowing rate was 10% (2012: 10%). Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent. The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

41	PRESENTATION OF THE BUDGET					
	Greater Taung Local Municipality					
	ACTUAL VERSUS BUDGET					
	for the year ending 30 June 2013					
	2013	2013	2013	2013		
	Actual	Budgeted	Varrience	Varrience %	Explanations of significant variance greater than 10 %	
	Revenue					
	Property rates	5 342 376	6 181 500	839 124	15.71	New Roll to implement in 2014
	Property rates - penalties imposed and collection charges	878 876	750 000	(128 876)	(14.66)	Non payment of residents
Service charges	6 055 550	6 664 252	608 702	10.05		
Rendering of Services	-	-	-	-		
Rental Income	241 123	439 432	198 309	82.24	Stadiums and Halls not used as much	
Interest earned - external investments	4 501 960	5 000 000	498 040	11.06	Interest Rate went down	
Interest earned - outstanding receivables	1 124 406	1 052 000	(72 406)	(6.44)	Non payments of residents	
Income Received from Agencies	-	-	-	-		
Administration and Management Fees Received	-	-	-	-		
Licences and permits	-	-	-	-		
Government grants and subsidies	122 278 613	148 081 000	25 802 387	21.10	Under spending of grants	
Other income	3 263 732	3 078 149	(185 583)	(5.69)		
Total revenue	143 686 636	171 246 333	27 559 697			
Expenses						
Employee related costs	44 759 000	49 158 241	4 399 241	9.83		
Remuneration of councillors	13 846 890	15 109 300	1 262 410	9.12		
Administration Costs		5 036 000	5 036 000			
Depreciation and amortisation expense	46 040 854	1 679 352	(44 361 502)	(96.35)	Due to unbundling of assets	
Repairs and maintenance	8 899 356	10 589 700	1 690 344	18.99	Old assets and needed to repair more than usual	
Finance Cost	271 282	-	(271 282)	-		
Impairment Losses	(1 646 247)	1 500 000	3 146 247	-191.12	Outstanding Debtors - non payment of residents	
Bulk purchases	2 548 561	3 296 125	747 564	29.33		
Contracted services	13 420 621	9 767 040	(3 653 581)	-27.22		
General expenses	27 691 250	21 557 766	(6 133 484)	-22.15		
Grant expenses	-	50 292 600	50 292 600	0.00	Capitalised	
Capital expenses	-	3 260 209	3 260 209	0.00	Capitalised	
Total expenses	155 831 567	171 246 333	15 414 766			
Gain / (loss) on sale of assets	-	-				
(Impairment loss) / Reversal of impairment loss	-	-				
Profit / (loss) on fair value adjustment	-	-				
Inventories: (Write-down) / reversal of write-down to net realisable value		-				
Surplus / (deficit) for the period	(12 144 931)	-	12 144 931			

Greater Taung Local Municipality
APPENDIX A
SCHEDULE OF EXTERNAL LOANS
as at 30 June 2013

	Loan number	Redeemable Date	Balance at 30 June 2012	Received during the period	Redeemed / written off during the period	Balance at 30 June 2013	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MFMA
EXTERNAL LOANS								
Long-term Loans		-	-	-	-	-	-	-
TOTAL LONG-TERM LOANS			-	-	-	-	-	-
Annuity Loan			-	-	-	-	-	-
TOTAL ANNUITY LOANS			-	-	-	-	-	-
Government Loan			-	-	-	-	-	-
TOTAL GOVERNMENT LOAN			-	-	-	-	-	-
TOTAL EXTERNAL LOANS			-	-	-	-	-	-

Greater Taung Local Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2013

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
Land													
Land	8 718 494	187 350	-	-	8 905 844	-	-			-			8 905 844
Landfill Sites	-	-	-	-	-					-			-
Quarries	-	-	-	-	-					-			-
	8 718 494	187 350	-	-	8 905 844	-	-	-	-	-	-	-	8 905 844
Buildings	160 290 635	-	-	-	160 290 635	(126 295 635)	(5 343 021)			(131 638 656)			28 651 979
Infrastructure													
Roads & Electricity	1 143 370 584	3 970 751	-	-	1 147 341 335	(743 654 531)	(37 520 604)			(781 175 135)			366 166 200
Roads	-	-	-	-	-		-			-			-
Sewerage Mains & Purification	-	-	-	-	-					-			-
Electricity Mains	-	-	-	-	-					-			-
Electricity Peak Load Equip	-	-	-	-	-					-			-
Water Mains & Purification	-	-	-	-	-					-			-
Reservoirs – Water	-	-	-	-	-					-			-
Water Meters	-	-	-	-	-					-			-
Storm Water	-	-	-	-	-					-			-
	1 303 661 219	3 970 751	-	-	1 307 631 970	(869 950 166)	(42 863 625)	-	-	(912 813 791)	-	-	394 818 179
Community Assets													
Parks & Gardens	-	-	-	-	-					-			-
Libraries	-	-	-	-	-					-			-
Recreation Grounds	-	-	-	-	-					-			-
Civic Buildings	12 361 367	2 587 388	-	-	14 948 755	(7 496 175)	(298 435)			(7 794 610)			7 154 145
Stadiums	-	-	-	-	-					-			-
Halls	-	-	-	-	-					-			-
Houses	-	-	-	-	-					-			-
Swimming Pools	-	-	-	-	-					-			-
Cemeteries	-	-	-	-	-					-			-
	12 361 367	2 587 388	-	-	14 948 755	(7 496 175)	(298 435)	-	-	(7 794 610)	-	-	7 154 145
Heritage Assets													
Historical Buildings	-	-	-	-	-					-			-
Paintings & Artifacts	-	-	-	-	-					-			-
	-	-	-	-	-					-			-
Total carried forward	1 324 741 080	6 745 489	-	-	1 331 486 569	(877 446 341)	(43 162 060)	-	-	(920 608 401)	-	-	410 878 168

Greater Taung Local Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2013

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
Total brought forward	1 324 741 080	6 745 489	-	-	1 331 486 569	(877 446 341)	(43 162 060)	-	-	(920 608 401)	-	-	410 878 168
Other Assets													
Office Equipment	631 256		(541 835)	-	89 421	(462 101)	(150 215)	541 835		(70 481)			18 940
Furniture & Fittings		-	-	-	-					-			-
Bins and Containers		-	-	-	-					-			-
Emergency Equipment		-	-	-	-					-			-
Motor vehicles		-	-	-	-					-			-
Fire engines		-	-	-	-					-			-
Refuse tankers		-	-	-	-					-			-
Computer Equipment		-	-	-	-					-			-
Computer Software (part of computer equipment)		-	-	-	-					-			-
Other Assets	19 070 992	4 366 978	(18 890)	-	23 419 080	(6 454 802)	(2 728 579)	17 088		(9 166 293)			14 252 787
	19 702 248	4 366 978	(560 725)	-	23 508 501	(6 916 903)	(2 878 794)	558 923	-	(9 236 774)	-	-	14 271 727
Finance Lease Assets													
Office Equipment	-	-	-	-	-	-				-			-
Other Assets	-	-	-	-	-	-				-			-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1 344 443 328	11 112 467	(560 725)	-	1 354 995 070	(884 363 244)	(46 040 854)	558 923	-	(929 845 175)	-	-	425 149 895

Greater Taung Local Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2012

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
Land													
Land	8 718 494	-	-	-	8 718 494	-	-	-	-	-	-	-	8 718 494
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries	-	-	-	-	-	-	-	-	-	-	-	-	-
	8 718 494	-	-	-	8 718 494	-	-	-	-	-	-	-	8 718 494
Buildings	149 071 157	11 219 478	-	-	160 290 635	(123 128 149)	(3 167 486)	-	-	(126 295 635)	-	-	33 995 000
Infrastructure													
Drains	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads	1 137 032 241	6 338 343	-	-	1 143 370 584	(706 133 927)	(37 520 604)	-	-	(743 654 531)	-	-	399 716 053
Sewerage Mains & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity Mains	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity Peak Load Equip	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Mains & Purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reservoirs – Water	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm Water	-	-	-	-	-	-	-	-	-	-	-	-	-
	1 137 032 241	6 338 343	-	-	1 143 370 584	(706 133 927)	(37 520 604)	-	-	(743 654 531)	-	-	399 716 053
Community Assets													
Parks & Gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic Buildings	12 361 367	-	-	-	12 361 367	(3 114 073)	(4 382 102)	-	-	(7 496 175)	-	-	4 865 192
Stadiums	-	-	-	-	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Theatre	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
	12 361 367	-	-	-	12 361 367	(3 114 073)	(4 382 102)	-	-	(7 496 175)	-	-	4 865 192
Heritage Assets													
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Paintings & Artifacts	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	1 307 183 259	17 557 821	-	-	1 324 741 080	(832 376 149)	(45 070 192)	-	-	(877 446 341)	-	-	447 294 739

Greater Taung Local Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2012

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
Total brought forward	1 307 183 259	17 557 821	-	-	1 324 741 080	(832 376 149)	(45 070 192)	-	-	(877 446 341)	-	-	447 294 739
Other Assets													
Office Equipment	598 839	32 417	-	-	631 256	(253 493)	(208 608)	-	-	(462 101)	-	-	169 155
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire engines	-	-	-	-	-	-	-	-	-	-	-	-	-
Refuse tankers	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	16 707 668	2 363 324	-	-	19 070 992	(4 016 976)	(2 437 826)	-	-	(6 454 802)	-	-	12 616 190
	17 306 507	2 395 741	-	-	19 702 248	(4 270 469)	(2 646 434)	-	-	(6 916 903)	-	-	12 785 345
Finance Lease Assets													
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1 324 489 766	19 953 562	-	-	1 344 443 328	(836 646 618)	(47 716 626)	-	-	(884 363 244)	-	-	460 080 084

Greater Taung Local Municipality
APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2013

	Cost / Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council										
Finance & Admin										
Planning & Development										
Health										
Community & Social Services										
Public Safety										
Sport & Recreation										
Environmental Protection										
Waste Management										
Road Transport										
Water										
Electricity										
Other										
Total	-	-	-	-	-	-	-	-	-	-

Greater Taung Local Municipality
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2013

2012	2012	2012		2013	2013	2013
Actual Income	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
19 531 211	23 116 802	(3 585 591)	Executive & Council	24 990 730	56 207 434	(31 216 704)
106 334 351	37 694 642	68 639 709	Finance & Admin	38 835 519	41 312 864	(2 477 345)
3 146 968	3 328 260	(181 292)	Planning & Development	3 401 210	5 067 045	(1 665 835)
3 303 658	10 602 260	(7 298 602)	Community & Social Services	11 564 973	7 407 468	4 157 505
5 288 444	5 149 764	138 680	Sport & Recreation	1 535 787	2 386 835	(851 048)
10 780 131	11 706 071	(925 940)	Waste Management (Refuse)	11 089 354	9 866 866	1 222 488
13 076 692	39 059 634	(25 982 942)	Road Transport	13 352 868	12 044 008	1 308 860
2 833 001	1 673 507	1 159 494	Water	3 030 563	2 449 005	581 558
7 081 120	3 913 133	3 167 987	Water Waste Management	4 504 218	4 880 327	(376 109)
10 090 160	11 118 708	(1 028 548)	Electricity	7 844 917	9 183 726	(1 338 809)
33 055 413	2 494 412	30 561 001	Other	23 536 497	5 025 988	18 510 509
214 521 149	149 857 193	64 663 956		143 686 636	155 831 566	(12 144 930)
			Less: Inter-Department Charges			
214 521 149	149 857 193	64 663 956	Total	143 686 636	155 831 566	(12 144 930)

APPENDIX E
DISCLOSURE OF GRANTS AND SUBSIDIES
for the year ending 30 June 2013
DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grants	Quarterly Receipts					Quarterly Expenditure for the Year					Delay \ withheld	Gazette amount	Reason for delay/ withholding of	Did your	Reason for non-
	Sept	Dec	March	June	Total	Sept	Dec	March	June	Total	Total	Total		Yes / No	
Equitable Share	41 895 000	13 479 000	25 136 000	-	80 510 000	20 127 500	20 127 500	20 127 500	20 127 500	80 510 000	20 000 000	100 537 000	Withheld funds due to underspending of	Yes	Not Applicable
MSIG	800 000			-	800 000	240 886	185 605	115 975	103 382	645 848	154 152			Yes	Not Applicable
FMG	1 500 000			-	1 500 000	187 388	345 719	225 592	606 637	1 365 336	134 664			Yes	Not Applicable
MIG	10 000 000	15 000 000	7 722 000		32 722 000	1 129 844	819 130	467 381	6 216 784	8 633 139	24 088 861		Under spending of Grant	Yes	Not Applicable
DEPT OF SPORT & RECREATION			670 000		670 000					0	670 000			Yes	Not Applicable
DISASTER FUND		500 000		-	500 000			42 393	205 609	248 002					
ENERGY & MINERALS (EPWP)	400 000	300 000	300 000	-	1 000 000						1 000 000			Yes	Not Applicable
LG SETA					138 245				138 245	138 245				No	Not Applicable
NDP GRANT	5 584 000	3 724 000	1 534 000	0	10 842 000	953 453	2 074 873	1 536 554	3 443 460	8 008 340	2 833 660		Underspending of Grant	Yes	Not Applicable
	60 179 000	33 003 000	35 362 000	-	128 682 245	22 639 071	23 552 827	22 515 395	30 841 617	99 548 910	48 881 337	100 537 000			